FINANCES OF THE NATION. ANNUAL REPORT OF THE SECRETARY OF THE TREASURY.

A LECTURE ON THE WICKEDNESS OF WEALTH-IMPORTS INCREASING AND EXPORTS DECREASING-AMERICAN COM-

MERCE VANISHING. Following is the full text of the annual report of the Secretary of the Treasury, laid before Congress yesterday. It states the surplus in the Tressury, June 30, 1888, at \$119,612,116 09; demands an immediate readjustment of the revenue system, and advises the cessation of gold and silver coinage. A large increase in imports and a decrease in exports occurred during the year. The proportion of the foreign carrying trade conducted in American vessels is steadily decreasing. Of 529,333 immigrants examined 1,118 were sent back. The receipts from internal taxes show a considerable increase. The system of non-partisan Civil Service "has been tried to a small extent." The Secretary declares that the use of steam presses in the Bureau of Printing and Engraving has produced satisfactory results The requirements of the act of February 25, 186; (R. S. 3,688, 3,689), establishing a sinking fund for the gradual extinguishment of the public debt, estimated for the current fiscal year at \$47. and that " no complaint has been heard from the general public" concerning the quality of the

THE REPORT. Treasury Department, Washington, D. C., Dec. 3, 1888.

Sir: I have the honor to submit the	following re-
port: '.	
RECEIPTS AND EXPENDITU	RES.
	1000
Fiscal year 1888.	
The ordinary revenues of the Govern	ment from all
The ordinary revenues of the coverage	1000 man
sources for the fiscal year ended June 30	, 1000, were .
From customs From internal revenue. From sales of public lands.	\$219,091,173 63
From Internal revenue	124,296,871 98
From sales of public lands	11,202,017 28
From profits on coinage, bullion deposits	
and assays	9,387,634 48
There the on national hanks	1,748,566 85
From fees-consular, letters-patent, and	
land	8,433,448 99
Brow engloms fees fines, penalties, &c.	1,097,448 20
them sinking fund for Pacific rallways .	1,170,331 43
From repayment of interest by Pacific	
selfways	681,696 95
From sales of Indian lands	880,087 43
From sales of Indian lands.	488,189 25
From tax on scalakins	317,500 00 291,189 50
From immigrant fund	161.890 76
From deposits for surveying public lands	101,630 76
From deductions on mutilated notes, cur-	112 422 05
rency, &c.	105.665.88
From sale of condemned naval vessels .	
From revenues of the District of Columbia	2,650,350 31

From revenues of the District of Columbia 2.050.350 31 From miscellaneous sources	surplus will almost exactly equal the predicted sum, a remarkable result since its factors were subject
Tetal ordinary receipts	to all the uncertainties of future revenues and ex- penditures to be authorized by a Congress not vet
For civil expenses. #22,852,334 03 For foreign Intercourse 1,583,461 40 For Indian service 6,249,307 87 For pensions 80,288,508 77	assembled. The accumulated surplus on September 29, 1888, was \$96,444,845 84; the surplus revenues from that
For the military establishment, including livers and harbors and arsenais . 38,522,436 11 For the navai establishment, including	date to June 30, 1889, as estimated, are \$75,365. 208 25, making the total accumulation on June 30,
vessels, machinery and improvements at navy parks. 16,926,487 65 por miscellaneous expenditures, including	1889, which could be used in the purchase of bonds, \$171,810.054 OR; however, between said September
public buildings, lighthouses, and col- lecting the revenues 44.228,351 89 For expenditures en account of the Dis-	29 and November 22, \$44,399,509 50 has been paid for bonds; consequently if no more bonds were
For interest on the public debt	bought between now and June 30 next the surplus would then amount to \$127,000,000. Upon the
Total ordinary expenditures . 4 . \$259,653,958 67 Leaving a surplus of \$119 612,116 09	basis of appropriations recommended by the De- partment, and upon the assumption that the revenues
Which was applied as follows: Purchase of bonds for sinking fund, in- outing \$2.802.015 88 for premium . \$46,577,165 88	of the fiscal years to end June 30, 1889 and 1890, will be equal, the surplus revenues for the latter fiscal year will be \$101,000,000, which, with the
Redemption of— Fractional currency for sinking fund 7,400 00 Foat of July and August, 1861 . 34,350 00	surplus revenues of this year and the surplus al- ready accumulated, make a total of \$228,000,000,
Five twenties of 1862	which might be used during the next nineteen months in the purchase of the interest-bearing debt, and
Ten-forties of 1864 7,850 00 Consols of 1865 97,850 00 Consols of 1867 97,550 00 L250 00 L250 00	which ought to be used for that purpose, unless the laws are so changed as to reduce the difference be-

Consols of 1865
Consols of 1867
Consols of 1807
Consols of 1808
Oregon war debt
Funded loan of 1881
Loan of July, 1882
Old demand, compound interest, fractional currency and other notes
Purchase of
Funded loan of 1891
Funded loan of 1891
Funded loan of 1891
Funded loan of 1897
Fremlum on loans of 1891 and 1907 65,863 05 36,527,710 58 principal of those bonds and all the interest which would accrue upon them should they be permitted è119,612,116 09 for 1888 have increased \$7,862,797 10, as follows:

Customs .
Sales of public lands .
Profits on colnage, assays, 458,381 65 161,426 40 Consular fees
Deductions on mutilated notes, &c.
Bule of condemned naval 112,422 05 Sale of condemned naval
vessols
vessols
customs of emolument fees
bales of Government property
Deposits for surveying public lands
maigrant fund
News on letters-patent
Revenues of the District of
Columbia
Miscellaneous items
Soldlers' Home, permanent
fund fund
Tax on national banks.
Sales of old public buildings.
Rales of Indian lands
Repayment of interest by

alizes only about 1 1.2 per cent annually, and re-ceives but meagre offerings of them at that price. There was a decrease in the ordinary expenditures of \$8,278,221 30, as follows:

218,686 14 681,313 86 557,651 21 1,442,348 79 2,000,000 134,384 10 365,665 90 500,000 28,827 34 121,172 66

cured by the Department. Ninety four millions of dollars of bonds have been secured under this circular, and a premium paid for the privilege of buying them of about \$15,000,000; the net rate of interest realized from this fuvestment is only about 2 per cent, and the saving in the total amount of interest which would have been paid had the bonds been allowed to run to maturity is about \$27,000,000. Had taxation been reduced so as to leave this money with the people, and if it is worth in their business 6 per cent per annum, the total value of the money to them during the term which these bonds had to run would be about \$53,000,000; thus, there is a resulting loss to the people of \$56,000,00 upon this transaction alone; if this over-taxablen (as not stopped, and if the Government is forced to continue to be a purchaser of its own bonds at the holder's prices, the loss to the people as could be shown by a like calculation, must be hundreds of millions of dellars.

REDUCTION OF TAXATION. Total ordinary receipts......\$99,962,454 94 \$277,037,545 06 \$377,000,000 The expenditures for the same period, actual and fimated, are as follows: Quarter ended September 30, 1888. Actual

9,253,164 53 84,746,835 47 44,000,000 4,577,544 08 16,422,455 92 21,000,000 1.288.519 14 2.211.480 86 4.500.000 Interest on the public debt. 11,813,658 11 29,180,341 89 41,000,000

whether it can increase the relative average comfort of its whole people by diverting a portion of its labor and capital from the employments which could be most profitably followed under natural conditions, thereby making certain of the necessaries of life more costly than they would be otherwise, there is a higher moral question which may well be asked, and that is, can a government be kept pure and free which, through the agency of its laws, offers vast pecuniary temptations to some kinds of business?

There are many indications that this question must be answered in the negative. There are many proofs that large classes of our business men have come to depend for success upon their skill in manipulating governmental agencies, rather thas upon industry. Total ordinary expenditures \$71,327,663 19 \$201,672,336 81 \$273,000,000 Statemated surplus, applicable to the pur-

FISCAL YEAR 1890.

The revenues of the fiscal year er	
1890, are thus estimated upon the bi	sis of existing
laws:	
From customs	\$217,000,000 00
Prom internal revenue	125,000,000 00
From sales of public lands :	10.500,000 00
From fees-consular, letters-patent, and	
lande	3,250,000.00
From tax on national banks	1,500,000 00
From customs fees, fines, penalties, &c.	900,000 00
Pallways	2,000,000 00
From sales of Government property	500,000 00
From deposits for surveying public lands	150,000 00
From profits on coinage, assays, &c	9,500,000 00
From revenues of the District of Columbia	2,750,000 00
From miscellaneous sources	8.950,000 00
Total estimated receipts	\$377,000,000 00

SURPLUS REVENUE.

surplus revenues in it before its maturity is evident

from the fact that even now the Government is paying for the 4 1-2 per cent bonds a price which re-

PURCHASE OF BONDS.

Since the last annual report, and after the com-

until there had been an expression of optnion by

resolutions in both houses of Congress, that it was

lawful and proper to invest the surplus in bonds at the premium necessary to obtain them. Under the then state of public opinion in many parts of the

country upon this question, both as to its legality and propriety, it seemed wise to seek

the co-operation of the Congress in this important matter. I am confident that the delay in the pur-

chase of bonds while waiting for the Congress to act re-sulted in no substantial pecuniary loss to the Govern-

ment. The purchase was resumed under a circular

of April 17, 1888, and since that time nearly all the

ernment have been bought by it, as will appear from

cause the price was thought to be too high, but

finally, almost all of the offered bonds were bought

at some price. An example will show this more clearly. Certain bonds of a par value of only

\$326,000 were offered so often that the offerings

red by the Department, Ninety four millions of dollars

aggregated over \$19,700,000, but they were at last se

REDUCTION OF TAXATION. I cannot too strongly repeat my recommendation of last year to reduce taxation, and, as far as pos-

sible, without too sudden disturbance of existing interests, to make this reduction in customs taxation, to

the end that the people may get the greatest possible

enefit from the reduction.

Besides the vexed economic question as to whether

of the people's money.

as submitted by the several Executive Departments may not suffer upon made. CURRET Legislative 18,955,081 00 The following to Judicial 1,947,565 00 Which are interesting to the property interesting to the property of the prop	and purified wools are held to be compared by the shows changes in circulation the same duty as that provide sheddy, and other adulterants; and to be sheddy, and other adulterants; and to be compared by the sheddy and other adulterants; and to be compared by the sheddy and other adulterants; and to be compared by the sheddy and other adulterants; and to be compared by the sheddy and other adulterants; and to be compared by the sheddy and	S. Fruits, including nuss. 4,797,625 68 5,774,847 S. Fruits, including nuss. 4,797,625 68 5,774,847 S. Paper-stock, crude 4,538,719 21 5,492,255 S. Paper-stock, crude 4,538,719 21 5,544,069 S. Paper-stock, crude 4,538,719 21 5,492,255 S. Paper-stock, crud	97 im 88 pe 90 in 72 of 76 be 22 is 56 ex
Naval establishment 25,162,028.76	entitled to admission at 20 per cent while "Schedule L' imposes a duty of advancem on all such goods. I commend to the attention of Congranying report of the Supervising System of the Supervising Sys	d valorem, 16. Cocoa or cacao, crudo, 1,670,008 00 2.252.031 10.00 per cent leaves and shells of 1,670,008 00 2.252.031 10.00 per cent leaves and shells of 2,404,523 00 2.120,938 10.00 per cent la leave and valuable or essential 1,736,233 58 2.029,783 10.00 per cent la leave and fur-skins, uncluded the leaves and fur-skins uncluded the l	87 Jan 87 by 87 ale 42 wi ha
Desartment of Justice 3.500 00 21,204,000 74 4 603,414 00 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	business transacted, the expense thereof, of persons employed at each of the custom districts during the past fiscal year; also of merchandise and estimated dutter the ported from exterior to interior ports praisement. It is gratifying to be able for their reduction in the percentage cost of the customs revenue; during the past year. The customs revenue during the past year.	s ports and the value recon frame and the value 23. All other free articles. 28.614.493 34 31.317.481 Total free of duty\$233,098,659 15 \$244,104,352 to show a DUTIABLE. The following are the leading articles of imports and reconsolidar consolidar consolidar are the leading articles of imports and reconsolidar are the leading articles of imports and reconsolidar are the leading articles of imports and reconsolidar are the leading articles of imports are all rear are consolidar are the leading articles of imports and reconsolidar are articles. 28.614.493 34 31.317.481	46 feed It villed he the
Collecting revenue from 5.500.000 00 customs 4.927.555.95 108.601.055.95 22 22 22 22 22 22 22 22 22 22 22 22 22	tion of customs districts, and the abelition customs establishments. It seems to have policy of Congress for several years particle of the policy of Congress for several years particle of the policy of Congress for several years particle of the policy of the publics of consequence, and are tained at large expense. If this policy time, and appropriations are not to be made according to estimates submitted, as required.	to create to create thich have trade or still main- is to con- is annually	Value.
Excluding the sinking fund, the estimated expenditures will be \$275,767,485 34, showing a surplus of \$101,232,511 60. SINKING FUND. The requirements of the act of February 25, 1862	fifth section of the act of August 5, 188 peraffeely necessary, for reasons detailed annual report, that the permanent appropriate the expense of collecting the revenue freshall be considerably increased.	to the first time wood and manufactures of: 16. The wood and manufactures of: 17. The wood and manufactures of: 18. The wood and manufactures of: 18. The wood and manufactures of: 18. The wood and manufactures of:	,351,369 ,235,243 ,586,613
(R. S. 3,688, 3,689), establishing a sinking fund for the gradual extinguishment of the public debt, estimated for the current fiscal year at \$47.583,090, have been thus far met by the redemption of Treasury notes, fractional currency and bonds	of all Collectors and Surveyors of Custor by law and pald from the Treasury, and it emoluments and persuisites now allowed officers be abolished. This should be do a measure of economy, and to promote and efficiency of the service.	1	622,254 996,731 618,955 880,121 927,161
of the United States which had ceased to bear interest, amounting to \$77.797 35, and by the purchase of \$28.839.650 of the funded loan of 1907 and \$12.143.150 of the funded loan of 1801, at a cost to the fund for premium of \$7.672.222 29 on the	CONFERENCE OF LOCAL APPRAI These conferences have been continued past year, and under the increased appropr for their support by the act of October 2.	Total 33, 33, 34, 34, 35, 34, 35, 36, 36, 36, 37, 37, 38	807,282 264,278 150,058 088,073 285,225
former and 8644.206 73 on the latter loan.	have been taken toward extending their the more distant ports.		981,191 953,125 933,569

to the fund for premium of \$7,672,222 29 on the former and \$844,206 73 on the latter loan. As was the case last year, the increase in circulation this year has been in the form of small money. The increase of outstanding paper and cein in denominations of \$20 and less is more than \$115,000,000, thus exceeding the total increase of circulation among the people by about \$25,000,000, and showing a conversion of larger into smaller denominations to that extent. In the last annual report it was estimated that the revenues for the year to end June 30, 1888, would exceed the ordinary expenditures, not including the sinking fund, by \$113,000,000. It will be seen from the foregoing statement that such ex-

cess was in reality \$119.612,116.09, or \$6.612,116.09 more than the Department estimate. It was also SILVER COINAGE. estimated in the same report that the like surplus for the fiscal year to end June 30, 1850, would be \$104.313,365 64. Judging from the actual expenditures for the first quarier of this fiscal year, and in the light of receipts and expenditures to the middle of November, it is probable that this estimate will prove to have been fairly accourate, and that the titures for the first quarier of this fiscal year, and in the like of receipts and expenditures to the middle of November, it is probable that this estimate with prove to have been fairly accourate, and that the surplus will almost exactly equal the predect sum, a remarkable result since its factors were subject to all the uncertainties of future revenues and expenditures to be authorized by a Congress not vertage to all the uncertainties of future revenues and expenditures to be authorized by a Congress not vertage to all the uncertainties of future revenues from that date to alm 30, 1889, as estimated, are \$75,365... the surplus revenues from that date to alm 30, 1889, as estimated, are \$75,365... the surplus revenues and september 29, 25, making the total accumulation on June 30, 1889, which could be used in the purchase of bonds, \$871,810,042 to it however, between said September 29 and November 22, \$44,390,509 50 has been paid for bonds; consequently if no more bonds were bought between now and June 30 next the surplus would then amount to first,000,000. Upon the basis of appropriations recommended by the Department, and upon the assumption that the revenues of the fiscal years to end June 30, 1889 and 1890, will be equal, the surplus revenues for the latter fiscal year will be \$101,000,000. Which will be equal, the surplus which subject as a to reduce the difference between expenditures and revenue by nearly that sum. About \$185,000,000 of the 4 1.2 per cent bonds are now outstanding; they are payable September 1, 1891. The total amount of interest which will accrue on them from now until their maturity is in the thing that the surplus which will be captal, the surplus which will be captal the surplus which wi

COIN CERTIFICATES.

The system of coin circulation by means of certificates has certain conveniences and advantages, upon them until their maturity in 1907 is about \$500,000,000; a calculation will show that the present surplus revenues, if continued, would pay before 1900 all of these 4 per cent bonds and all of but it is a costly form of money; last year the cost fore 1900 all of these 4 per cent bonds and all of this interest. Of course, all the money which is saved by purchase of bonds at less than the principal and the interest to accrue but shortens the time when all the bonds may be paid if the holders will surrender them. Nothing more is needed than the foregoing statement to show the alsoluto necessity of a readjustment of the public revenues at the earliest possible date.

That it will be necessary to pay nearly the whole of the interest which will accrue upon the public debt if an attempt is made to lavest the present confidence in the foreign that it will be holders which will accrue upon the public debt if an attempt is made to lavest the present confidence in the foreign that it is a costly form of money; last year the cost of the \$105,000,000 silver certificates issued was about \$421,000, and as more and more of these certificates are converted into smaller denominations this cost is likely to increase. There are also certain dangers connected with it, for example, in time of war, the possession by the Government was in financial need the temptation to spend the coin bed acairst outstanding certificates ingist prove for the sate of the \$105,000,000 silver certificates issued was about \$421,000, and as more and more of these certificates are converted with it, for example, in time of war, the possession by the Government was in financial need the temptation to spend the coin bed acairst outstanding certificates neight prove of the interest which will accrue upon the public debt if an attempt is made to lavest the present that the currency of the country would be actual circulation instead of being held by the Government on piedre against outstanding certificates, as so we the case. But whatever may be thought about the wisdom of the certificate system, there can be no doubt that with it the further, coinage of gold and silver, except subsidiary coin, is not necessary or wise. Far more gold and silver coins are now in the possession of the Government than probably ever will be needed for the redemption of certificates. Future accumulation of the precious metals should be only in the form of builtion, which can be kept more safely and counted more easily than the coin. If this suggestion was adopted all but one of our mints might be closed, and large useless expense be saved annually. I earnestly call the attention of the Congress on this subject.

PUBLIC MONEYS. To continue taxation with no other use for its proceeds than such an investment is a cruel waste pletion of the sinking fund requirements for the year ended June 30, 1888, no bonds ,were bought

PUBLIC MONEYS. The monetary transactions of the Government have been conducted through the offices of the Treasurer of the United States, nine assistant treasurers, and two hundred and ninety-seven National-bank de-

positaries. The gross receipts of the Government, amounting during the fiscal year, as shown by warrants, to the sum of \$664.282.224.76 (\$255,016,150 of which were on account of United States notes, certificates and conversion of refunding conditionals, were deposited as follows, viz:

bonds which have been offered for sale to the Gov-CUSTOMS ADMINISTRATION. an inspection of the bond-purchase book. Of course many offerings of bonds have been declined be-

While much progress has been made in the reforma tion of abuses in the Customs Service, the inadequacy of the present laws renders it practically impossible to corret many of the evils and inequalities which have so long and so seriously affected our Customs

the more important defects in the existing law, and indicated certain remedies which appeared advisable,

indicated certain remedies which appeared advisable, and which may be briefly summarized as follows:

1. The climination from the tariff schedules of the numerous ambiguities and conflicting provisions, which for many years have been constant subjects of dispute and titigation.

2. The amendment of the laws relating to appraisement, so as to provide for a more efficient supervision of the work of local appraising officers by increasing the number of general appraisers, enlarging their powers, and conferring upon them exclusive appellate jurisdiction in questions of value.

3. The repeal of existing provisions of law which so restrict the Government in suits for fraudulent undervaluations, as to make it impossible to recover penalties or secure forfetures.

4. The simplification of the law relating to the determination of fine dutiable value of merchandise subject to ad valorem rates, particularly with respect to coverines, packing charges, etc.

5. Such modifications of the law respecting the forms of declarations to invoices by shippers as will barmonize the same with the requirements regarding entry.

6. The amendment of the law so as to subject

barmonize the same with the requirements regarding entry.

6. The amendment of the law so as to subject merchandise entered on pro forma invoice to the same conditions as are imposed in case of entry upon "original" or regularly certified invoice.

7. The discouragement of speculative suits and of protests and appeals, by providing more effective means for the prompt and summary hearing and final decision of questions of classification.

8. A clear definition of what is meant by the words "component material of chief value" and a specific rule whereby the same may be determined.

9. The abolition or limitation of damage allowances. a country can make itself presperous by a tariff; de-

9. The abolition or limitation of damage allow-ances.

10. The amendment of the law relating to draw-hacks on exported goods, so as to provide for the payment of the full amount of the duties paid on imported materials, and no more, and for such proofs and safeguards as will prevent frauds and im-position in such cases. position in such cases.

Bills now pending before Congress contain provisions which substantially most these suggestions and which have in one form or another received the sanction of this department.

depend for success upon their skill in manipulating governmental agracies, rather than upon industry, intelligence and honorable competition.

Is it not possible that eagerness for the money which men assume comes to them only through government may lead them to use an ever-growing proportion of their gains to possess and influence the supposed source of their wealth?

And will not the endeavor to make men rich soon become the chief function of our Government? Is not this already the case! If these dangers exist, if they are not overestimated, and they do exist and are not overestimated, then can it be doubted that the true welfare of our people calls for the rescue of the Government from them as speedily as may be.

This can only be desired. Certain incongruous provisions of the present tariff schedules are so hurtful to domestic industries, so fruitful of complaints, contentions and suits, and are so menacing to the Treasury, that I feel constrained to express the hope that they will receive attention at this session of Congress, even if there should be no further legislation respecting the tariff. I refer ist, if they are not overestimated, and they do exist and are not overestimated, then can it be doubted that the true welfare of our people calls for the rescue of the Government from them as speedily as may be.

This can only be done by severing government from private business; steps should at once be taken in that direction, always, however, let me repeat, bearing in mind interests which have become established under present laws; to the end that they the more distant ports.

The reports received from the recording officers, and the individual opinions expressed by the appraisers who attend the conferences, so far as heard from, continue to commend their influence as exceedingly beneficial to the service. FOREIGN COMMERCE. The values of our imports from and exports to foreign countries during the year ended June 30,

1888, as compared with the preceding fiscal year, were as follows: MERCHANDISE.

Excess of imports . £21,173,101 £12,923,803

The total value of the imports and expects of the last fiscal year, when compared with that of the fiscal year 1887, shows an increase of £20,992,328.

(An extended analysis of the condition, growth, leading characteristics, etc., of our foreign trade, as compared with that of preceding years, will be found in the annual report of the Chief of the Bureau of Statistics on Foreign Commerce.)

EXPORTS. EXPORTS.

The values of our exports of domestic merchandise during the last fiscal year were less than that of 1887 by \$19,160,819. The following are the articles of domestic product

or manufacture the exports of which have materially increased during the last fiscal year: The following are the articles of domestic product or manufacture the exports of which have decreased during the last fiscal year:

The values of the principal articles of demestic merchandise exported during the two years ended June 30, 1887 and 1888, were as follows: \$12,885,090 127,191,687 0,295,380 3,812,795 230,009,949 4,777,246

Total \$614.225,211 \$615,633,578

Value of all domestic exports e703,022,923 9883,862,104
Per cent of enumerated ar 91.6 0.2 The values of exports of domestic merchandise during the year ended June 30, 1888, classified by groups according to sources of production, were as follows:

Values. \$500,840,086 130,300,087 17,993,895 100.00 8683,862,104

The total value of the imports of merchandise increased from \$692,319.768 in 1867 to \$723.957,114 in 1888, being an increase of \$31,637,346, or 4.6 per cent, of which \$0,850,484 represents the increase in the value of free merchandise, and \$21,786,862 the increase in the value of dutiable imports.

The following are the articles of merchandise the imports of which have materially increased or decreased during the fiscal year 1883:

INCREASE.

Coffee Pruits, including nuts, not elsewhere specified notice rubber, and gutta-percha, crude to, aliver-bearing tin, bars, blocks, or pigs Dutable:

Breadstuns
Journal substitutes for
Sisal-grass, and other vegetable substances
Frax, homp, Jute, etc., manufactures of
Frax, homp, Jute, etc., manufactures of
Bars, railway, of steel, or in part of store!

Tin-plates, terne-plates, or taggers' tin.
Seeds, not medicinal, not claswarer specified.

Tobacco, and manufactures of.

Tobacco, and manufactures of.

Tobacco, and manufactures of.

Decreases

Wood: Clothing woods.

Decreases

Free of duty:

Tea

Dutable:

\$3,411,117

Dutable:

Tea Dulible: \$3,411,117

Fruits, including nuts. 1,126,471
Hops 2,387,174
Hrg. fron 2,387,174
Hrg. fron 3,387,174
Hrg. fron 3,

The values of imported merchandise entered for consumption in the United States, and the ordinary duty collected thereon, during the last four fiscal years, have been as follows:

Year Jun	Value of Merchandiso. Ordinary		Average Rate Col- lected ou-		
85	Free of Duty.	Dutiable.	Collected.	Duti-	Free and D'bie
1885 1886 1887	\$192,912,234 211,530,759 233,093,659	\$386,667,820 413,778,055 450,325,322 468,143,774	\$177,319,550 188,379,397 212,032,424 213,509,802	45,86 45,85 47,10	

It will be seen that while there was an increase of \$17.818,452 in the value of dutiable imported merchandise entered for consumption during the last facal year, as compared with the preceding year, the amount of customs revenue derived from these importations was about the same as the revenue derived from similar importations during the fiscal year 1887.

The principal changes in duties collected on articles and classes of articles imported were an increase in the duty collected on manufactures of wood; flax, hemp, jute and manufactures of; sifk, manufactures of; manafactures of iron; and potatees; and a falling off in the duty collected on imports of sugar, nolasses and confectionery; raw wool; and from ore and pig iron.

It will be seen that while there was an increase of

LEADING ARTICLES OF IMPORTS ENTERED FOR CONSUMPTION. The following table shows the values of the leading

and all other articles of imported merchandise entered for consumption in the United States, including both entries for immediate consumption and withdrawals from warehouse for consumption, during the years ending June 30, 1887 and 1888; FREE OF DUTY.

Order. Articles Values

8. Fruits, including nuts.
4.767,625 59 5.774,847 97
9. Paper-stock, crude.
4.535,719 21 5.462,255 88
10. Ores (emery, gold.silver)
3.840,925 00 6.288,847 90
10. Ores (emery, gold.silver)
3.840,925 00 6.288,847 97
10. Ores (emery, gold.silver)
3.840,925 00 6.288,847 97
10. Ores (emery, gold.silver)
3.840,925 00 6.288,847 97
11. Spices, unground.
3.810,981 52 3.336,621 75
12. Spices, unground.
3.18,081 52 3.336,621 75
13. Alimsis.
2.650,700 47 2.980,466 22
15. Eggs.
1.650,405 39 2.312,476 56
16. Gocoa or caeso, crude.
1.670,088 00 2.282,031 00
18. Oils, fixed or expressed and volatile or essential.
17.736,239 53 2.029,783 87
19. Furs and fur-skins, undersed.
2.471,279 60 1.552,305 37
20. Fish.
20. Fish.
21. Cork wood or cork bark, unmanufactured.
2.8 614,493 34 31,317,481 79
23. All other free articles.
28 614,493 34 31,317,481 79
Total free of duty.
233,098,689 15 \$244,104,552 46

DUTIABLE.

The following are the leading articles of imported merchandles entered for consumption on which the customs revenue was collected during the last tw fiscal years ending June 30:

18 Fruits, including nuts.
4,767,625 58
4,762,256 88
4,104,099 07
2,384,4099 07
2,384,4099 07
2,384,4099 07
2,984,462 22
2,984,682 22
2,984,682 24
2,994,462 23
2,994,462 23
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2,994,462

Articles.	1887.		1838.	
	Value.	Daty Collected.	Value.	Duty Collected.
Sugar, molasses and confectionery	\$72,242,279 20	\$58,016,086.34	\$68,973,314.36	\$52,007,979 89
Sugar, molasses and confectionary. Wool, and manufactures of : Wool, raw Manufactures of.	16,351,369 97 44,235,243 64	5,899,816 63 29,729,717 50	14,064,100 10 47,158,048 16	4,729,486 56 32,213,120 66
Total	60,586,613 61	35,629,534 13	61,222,148 26	38,942,607 15
Iron and steel, and manufactures of : Iron-ore and pig-Iron. Manufactures of.	8,622,254.08 41,996,731.52	3,667,021 88 17,046,212 01	6.869,228.18 44,110,841.53	2,882,886,34 18,391,246 11
Total	50,618,983 60	20,713,233 89	50,980,069 71	21,274,132 45
Flax, hemp, jute, etc., and manufactures of : Raw Manufactures of.		\$1,930,340 02 7,567,641 72	\$16,597,150.00 23,015,588.10	\$2,238,002.33 7,914,092.96
Total	88,807,282 55	9,497,981.74	39,612,738 10	10,302,095 32
Silk, manufactures of. Cotton, manufactures of. Fruits, including nuts. Chemicals, drugs, does and medicines. Includes and precious stones. Tobacco and manufactures of. Leather and manufactures of.	31,264,276,58 29,150,058,83 15,088,073,82 13,285,225,75 10,981,191,66 10,955,125,03	15.540,399 70 11.710,716 88 4.210,098 64 4.654,165 24 1,162,306 19 9,127,758 26 3,286,862 17	32,642,620 03 28,706,702 67 15,106,551 06 12,814,525 85 11,032,310 74 12,314,428 66 11,671,497 21	16.351,685 48 11.491,897 87 4.477,535 21 4.622,441 04 1,182,334 34 9,734,987 33 3,479,248 89
Liquors - Mait, apirituous and wines : Malt liquors Spirits, distilled. Wines	1,267,309 25 1,909,899 96 7,013,737 19	614,186 73 2,039,923 04 3,848,133 05	1,353,889 50 1,972,297 27 7,310,190 09	666,666 39 2,981,772 22 4,014,805 58
Total	10,190,946 40	7,402,242 82	10,636,366.86	7,663,244 19
Wood, and manufactures of,		2,977 26 1,500,206 83	18,188 39 9,362,475 22	3,426 3 9 1,681,572 0 8
Total	8,223,504 06	1,503,184 09	9,380,663 61	1,684,998 47
plass and glassware Fancy articles Agreedstuffs Earthen, stone and china ware Hats, bouncts and hoods, and materials for Animals Pars and manufactures of All other articles	7.301,339 78 7,185,998 95 6.386,590 72 5,708,093 40 4,902,911 07 4,665,056,51	4,510,312,48 2,949,390,14 1,075,811,24 3,251,881,22 1,051,699,00 938,913,90 928,217,73 14,979,150,70	7,721,453 31 7,237,822 46 8,215,333 07 6,262,337 59 5,748,751 83 4,661 849 64 4,811,412 74 57,900,968 08	4,709,251 52 3,022,742 22 1,115,811 23 3,548,276 56 1,241,915 45 932,369 81 971,105 83 11,643,060 87
Total	\$450,325,321 55	212,032,423 90	468,143,773.98	213,500,801 57

FOREIGN CARRYING TRADE. The following table shows the values of the imports and exports of the United States carried respectively in American vessels and in foreign vessels during each fiscal year from 1856 to 1888, inclusive, with the percentage carried in American

12727222772222 6384138894548844 6384458886648488 ESTREEST STREET In Cars and other Land Vehicles.

ON-HORATACIDATES #124678129 #124678129 #124678129

Note 1.—The value of commodities carried in cars and other land vehicles was not separately stated prior to July 1, 1870. Note 2.—The amounts stated prior to 1880 include the co of coin and bullion, those from 1880 to 1888, introduce, merchandise only.

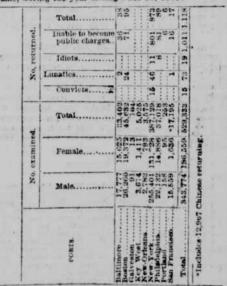
Thus it will be seen that our foreign commerce, carried in vessels of the United States, measured by its value, has steadily declined from 75 per cent in 1856 to less than 14 per cent in 1888. Even of this small percentage only 53 per cent was carried in steam vessels bearing our flag.

IMMIGRATION.

The State Commissioners heretofore employed under contracts authorized by the Immigrant set, have continued during the last fiscal year to conduct the local affairs of immigration at the following ports: Baltimore, Boston, Galveston, Key West, New-Orleans, New-York, Philadelphia, Portland, Me., and San Francisco. The immigration at none of the other ports was deemed sufficient to justify the employment of a commissioner, and the business has been conducted by the respective collectors of customs at those ports. The receipts of capitation tax for the year ending June 30, 1e8s, were \$291,189 50. The expenditures on account of immigration during the year were \$159,836 10.

The total number of alien passengers coming into the United States, by steam or sail vessel from foreign countries, other than the Dominion of Canada and Maxico, during the year ending June 30, 1888, was 567,510, of which number 20,021 were tourists or aliens not intending to remain in the United States.

The following statement exhibits the number of immigrants examined by the Commissioners of Immigration at the several ports named, and if the number returned to the countries whome they came, during the year ending June 30, 1888; affairs of immigration at the following ports: Balti-



not be held responsible for evasions of the law which they were powerless to prevent.

All cases of alleged violations of law reported to the Department were referred to the Department of Justice for prosecution.

At the request of the Department an appropriation has been provided for the present year, for the purpose of carrying into effect the provisions of the law more effective, amendments thereto were passed, October 19, 1888, upon the recommendation of the Treasury Department, by which the secretary of the Treasury Is authorized, in case he shall be satisfied that an immigrant has been allowed to land contrary to law, to cause such limiting and within a period of one year after landing or entry, to be taken into custody and returned to the country whence he came, at the expense of the owner of the importing vessel, or, if he entered from an adjoining country, at the expense of the person previously contracting for the service.

The secretary of the Treasury is also authorized to pay to an informer who furnishes original information that the law has been violated, such share of the penalties recovered as he may deen realonable and just, not exceeding 50 per cent, where it appears that the recovery was had in consequence of the information that gurnished.

It is believed that these provisions of the law, with the appropriation to meet the necessary expenses of its proper enforcement, will be sufficient to prevent the landing of persons prohibited by the statute. Under the law as amended, a special force has been employed at the principal ports, whose duty it is to attend to the enforcement of its provisions.

It will be observed that like provisions are recommended to be inserted by way of amendment to the Immigrant Act, which, if adopted, will render these laws more effective in keeping our undestrable immigrants.

NAVIGATION.

The Bureau of Navigation reports a small increase during the last fiscal year in the tonnage of the country, arising from the building of vessels, chiefly for the coasting trade. The tonnage built during the previous year was 150,450 tons, while that built during the last year was 218,086 tons, comparing favorably, according to the statistics available, with the amount built during that time in Austria, Belgium,

the amount built during that time in Austria, Belgium, Denmark, France, Germany, the Netherlands, Italy, Russia and Sweden combined. The amounts in either case, however, are small as compared with the tonnage built in the United Kingdom, where, on the 20th of June, 1888, 377 vessels, of 608,118 tons gross, were under construction. It is useless to expect any material increase in the building of iron and steel steam vessels in this country for the foreign trade under present conditions. Were all the restrictions of the tariff removed, the business would still be hampered by the higher cost of the completed vessel as compared with the expense of a similar skip built upon the Clyde or at Belfast.

The tonnage of the country amounted at the close of the last fiscal year to the respectable figure of 4,101,015.77 tons, and is likely to increase, for the reason that the decrease of the tonnage in the foreign trade is less than the increase in the tonnage built for the domestic trade, more especially upon the Great Lakes, where the business of shipping grain and ore is growing rapidly.

Great Lakes, where the business of shipping grain and ore is growing rapidly.

The burdens imposed upon the coasting trade by Federal legislation have nearly all been removed within the last four years, with the exception of such as may arise from the present tariff. Other disabilities, springing from local legislation in regard to computery pilotage and taxation, should be abolished by the States. Coasting vessels of one state are forced to compete with those of others, and to burden the former with local taxation, while the latter are exempt therefrom, is injudicious, so far as the interests of the State are concerned, and unfair to the owners of the Property.

INTERNAL REVENUE.

INTERNAL REVENUE.

The receipts from the several objects of internal texation during the last two fiscal years, as reported by the Commissioner of Internal Revenue, are as follows:

Objects of taxation. Fiscal year ended June 30-Oleomargarine
Bank circulation
Ponalite, &c.
Collections under repealed laws 29,283 49 9,768 87

. \$118,837,301.068124,326,475.32 Total . .

Collections under repealed laws 20,283 49 9.768 87

Total 1818.837.301 068124.326,475 32

From the above table it appears that the increase in the collections on spirits during the last fiscal year was 83,476,544 70; on tobacco, 5554.364 39; on fermented liquors, \$1,402.030 99; and on oleomargarine, \$140,191 84. There was a decrease of \$25,82 in the receipts from bank diculation, and of \$19,514 02 in the collections under repealed laws. There was also a decrease of \$24,657 22 in penalties collected.

It will be observed that there is a slight discrepancy between the figures representing the total receipts for the two years as shown in the foregoing table, and the amounts covered into the Treasury by warrants. This is explained by the fact that all sums are not deposited during the same fiscal years in which they are collected. The cost of collections the theorems was reduced during this year from 3.4, the cost for the year 1877, to less than 3.2.

In the enforcement of the law for the suppression of illieft distillation, the officers of internal revenue have suffered loss from the destruction, by persons of their horses, used while travelling on official duty. Under existing laws there is no authority to refinbarse the officer for the loss or damage sustained from such causes. Section 3.171 of the Deviser Status-confers jurisdiction in such cases upon the United States Court in a suit for damages; but this is of intie or no benefit to the injured person, for the reason that it is usually impossible to obtain evidence provide for the reimbursoment of the officer a proceed of sustain an action against the guilty parties. Or, if they are discovered and convicted, they are generally so irresponsible, pecuniarily, that juagmentaries of an ardinous and damage in property, but would oncourage them in the more faithful performance of an ardinous and damage in property, but would oncourage them in the more faithful performance of an ardinous and dangerous duty.

The Commissioner in his report retreates his recommendatio

which had been methylated by the use of wood napidha, as in Greet Britain. The detailed report of the officer who conducted the expoundant, and the report recived from the Inhand-revenue officer in Canada, both published in the Commissioner's report, indicate that it is not safe to rely upon methylation to prevent franching the use of alcohol withdrawn from bonded warehouses, free of tax, for use in the arcs.

The Commissioner also again calls attention to the great disparity between the special taxes and the tax on the article itself in the oleomargarine law, and refers to his recommendation in the matter in provious reports.

In order to supply the Congress with means for a more intelligent consideration of the subject, he fur